



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

APR 30 2004

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Michael D. Rossi, Esq  
Guarnieri & Secrest  
151 E. Market Street  
P.O. Box 4270  
Warren, OH 44482

RE: MUR 5262 (formerly MUR 5266)  
Dennis Rossi

Dear Mr. Rossi:

The Federal Election Commission previously notified Dennis Rossi, your client, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your client at that time. This matter was merged with another matter, MUR 5262, and will be referred to as MUR 5262 in all future correspondence.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on March 23, 2004, found that there is reason to believe your client violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3), provisions of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter.

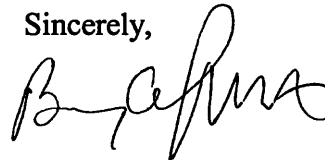
Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Margaret Toalson, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. A. Smith', written in a cursive style.

Bradley A. Smith  
Chairman

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Dennis Rossi

MUR: 5262

**I. INTRODUCTION**

As to respondent Dennis Rossi, this matter was generated by a complaint filed with the Federal Election Commission ("Commission") by Randy D. Walter. *See* 2 U.S.C. § 437g(a)(1).

**III. FACTUAL AND LEGAL ANALYSIS**

Tim Ryan for Congress ("the Committee") is registered with the Commission as a principal campaign committee of Tim Ryan in the 2002 primary and general elections for the 17<sup>th</sup> Congressional District in Ohio. The complaints allege that Tim Ryan for Congress received a \$50,000 loan from Tim Ryan and a cosigner, Dennis Rossi, in violation of the Federal Election Campaign Act of 1971, as amended ("the Act").<sup>1</sup>

Forty days before the primary, Ryan obtained an unsecured \$50,350 loan cosigned with Dennis Rossi. Mr. Ryan could not have obtained the loan without a cosigner. Both receipts and disbursements reported during this same time period demonstrate how important this loan was. During the same forty days, Ryan made disbursements of over \$57,000 in media buys, printing, radio ads, cable purchases and other media services. The loan comprised over 75% of the Committee's total receipts in the April Quarterly Report.

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<sup>1</sup> This matter pertains to a 2002 Congressional election in the 17<sup>th</sup> Congressional District of Ohio. All of the facts in this matter occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Act herein are as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA.

Mr. Rossi admits that he and Mr. Ryan obtained an unsecured loan for approximately \$50,000 from Second National Bank for a loan to the Committee. Mr. Rossi admits that he was the cosigner. The Committee eventually reported the \$50,350 as an unsecured loan, without any future contributions or future receipts of interest income pledged as collateral for the loan. The promissory note, issued by the Bank to Mr. Ryan and Mr. Rossi as borrowers, confirms that the loan was completely unsecured and cosigned by Mr. Rossi.

A loan is a contribution by each endorser or guarantor. 11 C.F.R. § 100.7. Even if the loan is paid off, the loan is still an unlawful contribution if it exceeds the contribution limits of 2 U.S.C. § 441a(a). Unless a written agreement states otherwise, when there are multiple guarantors of a loan, as in this matter, each guarantor of the loan is deemed to have made a contribution in the same proportion to the unpaid balance that each endorser bears to the total number of endorsers, or in this matter, \$25,175. 11 C.F.R. § 100.7(a)(1)(i)(C). Mr. Rossi also made a \$250 contribution to INSURPAC in 2002. Mr. Rossi's total contributions in 2002 were \$25,425. The Act prohibits an individual from making a contribution greater than \$1000 per election, and prohibits an aggregate contribution greater than \$25,000 per year.

2 U.S.C. § 441a(a)(1)(A) and (a)(3).

### **III. CONCLUSION**

Mr. Rossi made an excessive contribution of \$24,175 to Tim Ryan for Congress in violation of 2 U.S.C. § 441a(a)(1)(A). Mr. Rossi exceeded the aggregate contribution limit of \$25,000, by making aggregate contributions in 2002 of \$25,425 in violation of 2 U.S.C. § 441a(a)(3). Therefore, there is reason to believe that Dennis Rossi violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3).